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problems are adding to consumers' woes. The US Embassy in Santiago finds no evidence of a co-ordinated government effort to give jobs to the unemployed, whose ranks have been swelled by wholesale dismissals from public offices.

The technocrats who designed the government's economic recovery program want to stick to the plan despite the risk that steeply higher prices could restrict demand to the point of inhibiting rather than stimulating production. A struggle could develop between the technocrats and other economic advisers who are less committed to certain features of the recovery plan.

Grumbling over the wage-price squeeze is as yet neither very public nor very loud. Discontent does appear to be on the rise, and workers are generally suspicious of the government's economic policies. The gap between promise and performance could negate the government's efforts to convince the workers that the recovery program is, in the long run, in their interest, too.

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State review completed

MORI/CDF
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ECUADOR: NEW RULES ON TUNA

The tuna season is fast approaching, and Ecuador is preparing to levy stiffer penalties on unlicensed fishing seiners operating within its claimed 200-mile coastal zone.

During the last season, Ecuador seized 22 US-owned vessels and levied fines totaling some \$1.6 million. Now it is considering a decree that would dramatically increase both the charges for licenses and the fines on unlicensed boats. In addition, the draft law would require confiscation of tuna on board such boats. This decree would follow one issued last September that set the basis for eventually excluding all foreign fishermen from Ecuadorean waters. It authorized the government to impose a ceiling on the total tuna catch, and gave Ecuadorean boats preference over foreign vessels. That decree's emphasis on con-

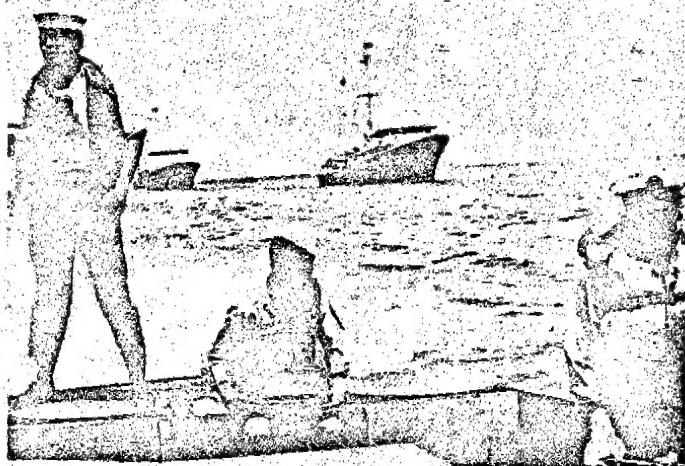
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[Attached to Presidential Determination 14-6, 11 Dec, 1973 -]



US tuna boats detained by Ecuador

servation has added a new complication to the territorial seas debate as well as to the discussions between Quito and Washington.

Another complication is the question of US reimbursement of fines and other charges. In compliance with a 1972 amendment to the Fisherman's Protective Act, the US last August notified Ecuador that owners of the US fishing boats had been compensated for fines and other charges levied against them. If Quito fails to reimburse the US for these payments by mid-December, aid funds for Ecuador will be reduced by an equal amount unless the provision is waived because of national security considerations. Also at issue are military sales, which have been restricted since 1971 after US vessels were seized.

If, as the new regulations envisage, an increasing share of the tuna catch is to go to Ecuadorean fishermen, Quito will need substantial outside assistance to expand both its tuna fleet and processing capability. Under these circumstances, Ecuador may be more willing to compromise. In the short run, however, the prospects are for further seizures of US boats and further trouble in US-Ecuadorean relations.